

199.641 Definitions -- Payments to nonprofit child-caring facility.

- (1) As used in this section, unless the context otherwise requires:
 - (a) "Allowable costs report" means a report from each child-caring facility that contracts with the department for services and includes all allowable costs as defined by the Federal Office of Management and Budget circular A-122, "cost principles for nonprofit organizations," and other information the department may require, utilizing cost data from each child-caring facility's most recent yearly audited financial statement;
 - (b) "Child-caring facility" means any institution or group home other than a state facility, or one certified by an appropriate agency as operated primarily for educational or medical purposes providing residential care on a twenty-four (24) hour basis to children, not related by blood, adoption, or marriage to the person maintaining the facility;
 - (c) "Department" means the Department for Community Based Services of the Cabinet for Health and Family Services;
 - (d) "Model program cost analysis" means a report based on a time study, the allowable costs report, and other information required by the department from each child-caring facility that contracts with the department for services that determines a statewide median cost for each licensed program category of service provided by child-caring facilities; and
 - (e) "Time study" means the process of reporting the work performed by employees of child-caring facilities in specified time periods.
- (2) Subject to the limitations set forth in subsection (4) of this section, when the department chooses to contract with a nonprofit child-caring facility for services to a child committed to the department, the department shall make payments to that facility based on the rate setting methodology developed from the model program cost analysis. The department shall also assure that the methodology:
 - (a) Provides payment incentives for moving children as quickly as possible to a permanent, continuous, stable environment;
 - (b) Provides children who require out-of-home care or alternative treatment with placements that are as close as possible to their home geographic area; and
 - (c) Provides appropriate placement and treatment services that effectively and efficiently meet the needs of the child and the child's family as close as possible to the child's home geographic area.
- (3) The department shall use the model program cost analysis as a basis for cost estimates for the development of the department's biennial budget request.
- (4) The secretary shall, to the extent funds are appropriated, establish and implement the rate setting methodology and rate of payment by promulgation of administrative regulations in accordance with KRS Chapter 13A that are consistent with the level and quality of service provided by child-caring facilities. The administrative regulations shall also include the forms and formats for the model program cost analysis.

Effective: June 20, 2005

History: Amended 2005 Ky. Acts ch. 99, sec. 190, effective June 20, 2005. -- Amended 2000 Ky. Acts ch. 14, sec. 21, effective July 14, 2000; and ch. 307, sec. 1, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 426, sec. 153, effective July 15, 1998. -
- Amended 1992 Ky. Acts ch. 297, sec. 1, effective July 14, 1992. -- Created 1988 Ky. Acts ch. 239, sec. 1, effective July 15, 1988.

Legislative Research Commission Note (7/14/2000). This section was amended by 2000 Ky. Acts chs. 14 and 307. Where these Acts are not in conflict, they have been codified together. Where a conflict exists, Acts ch. 307, which was last enacted by the General Assembly, prevails under KRS 446.250.